GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA

UNSTARRED QUESTION NO:727
ANSWERED ON:07.02.2017
Regulating Direct Selling Companies
Somaiya Dr. Kirit

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether it is true that the number of direct selling companies in the country has been increasing in the last few years;
(b) if so, the details thereof along with their current size in financial terms;
(c) whether the Government is aware about some illegal trade practices, such as charging entry fee from their agents and forcing them to buy back unsold inventory being opted by these companies in India and if so, the details thereof; and
(d) whether the Government has prepared any guidelines to regulate these companies and if so, the details thereof and the time by which the guidelines are likely to be implemented?

Answer

THE MINISTER OF STATE
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
(SHRI C. R. CHAUDHARY)

(a) & (b) : At present no official data is available on the sector. However, according to the recent joint study report by FICCI & KPMG, size of Indian direct selling industry was INR 7,200 Crore in year 2012-13 and has potential to reach INR 64,500 Crores by 2025.

(c) : No such information is available.

(d) : Yes Madam, the Department of Consumer Affairs has issued an Advisory to the State/UT Governments containing the Model Framework on Guidelines for Direct Selling Entities on dated 9th September, 2016 and Gazette Notification GSR 20136 (E) dated 26th October, 2016.

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